

054 - HUMAN RESOURCES DEPARTMENT

Operational Summary

Mission:

Our mission, as the County's Human Resources Department, is to foster business and customer partnerships, provide exceptional customer service, and to proactively lead in the creation and use of effective organizational systems within a dynamic and diverse environment.

Strategic Goals:

- Provide leadership in the delivery and creation of Human Resources knowledge and systems to assist County Departments in developing and achieving exceptional employee performance.
- Foster and strengthen customer and business partnerships to facilitate and enhance timely, contemporary and exceptional countywide Human Resources services.

Key Outcome Indicators:

Performance Measure	2005 Business Plan Results	2006 Business Plan Target	How are we doing?
TIME TO HIRE What: Measurement that provides an understanding of how quickly we are able to fill a vacant position. Why: Top talent is in demand and will be lost if hiring process takes too long.	Completed	Implement the Online Hiring Center component of the Neo-Gov system	Pilot was completed. Data will be available when Departments implement the Online Hiring Center component of the Neo-Gov system.
CUSTOMER SATISFACTION What: One measure of the responsiveness and delivery of HR programs and services. Why: Measures degree to which customers see business needs met by HR programs, services and policies.	Customer Satisfaction Survey completed	To be determined	HRD's Customer Satisfaction Survey was completed in August 2005 to identify baseline data. Overall service rating was 3.1 on a scale of 1 to 4. While the overall rating was "good" some service gaps were identified and targeted for improvement.
PERCENT OF EMPLOYEES USING WEB FOR OPEN ENROLLMENT What: Measure to determine the extent of employee use of web for open enrollment and benefits management. Why: Employees have 24/7 benefits information access; determines educational needs to increase usage.	50% usage.	Expect 55% usage.	Usage increased by 10% in FY 2005-06. Anticipate 5% increase in employee usage during FY 2006-07.

At a Glance:

Total FY 2005-2006 Projected Expend + Encumb:	3,619,784
Total Recommended FY 2006-2007	3,768,945
Percent of County General Fund:	0.12%
Total Employees:	29.00

FY 2005-06 Key Project Accomplishments:

■ RECRUITING

- Implemented new online recruiting system, Neo-Gov, within planned timeframes. Received Customer Innovation Award for system rollout.
- Established and lead the Countywide Recruitment Taskforce to coordinate organization wide recruiting strategies to support Board direction regarding Managed Retirement Planning.
- Provided periodic reports to the Board on progress towards coordinating recruitments and filling key positions vacated by retirements.
- Provided countywide HR staff training on Merit System rules and principles.

■ BENEFITS

- Implemented the new Benefits Center Web Site with two new web tools; Select-a-health Plan and the Health Care Advisor.
- Successfully completed three RFP processes for a Health Maintenance Organization health plan, for an Administrator for the Prescription Drug Card and Mail Order program and for an Administrator for the 457, 401(a) and 3121 Defined Contribution plans.
- Negotiated a contract with CIGNA Health Plan holding the health plan rates for 2006 at the 2005 level saving the County approximately \$1.2 million dollars for 2006 in health plan premium costs to the County.
- Introduced a new benefits communications campaign which was rolled out for the annual benefits Open Enrollment period with success.
- Established an IRC 415 Replacement Plan.
- In the process of implementing the change of the Administrator for the Prescription Drug Card and Mail Order program from Caremark to Walgreens.
- In the process of implementing a Loan Program for the 457 and 401(a) plans to be effective January 4, 2006.

■ CLASSIFICATION

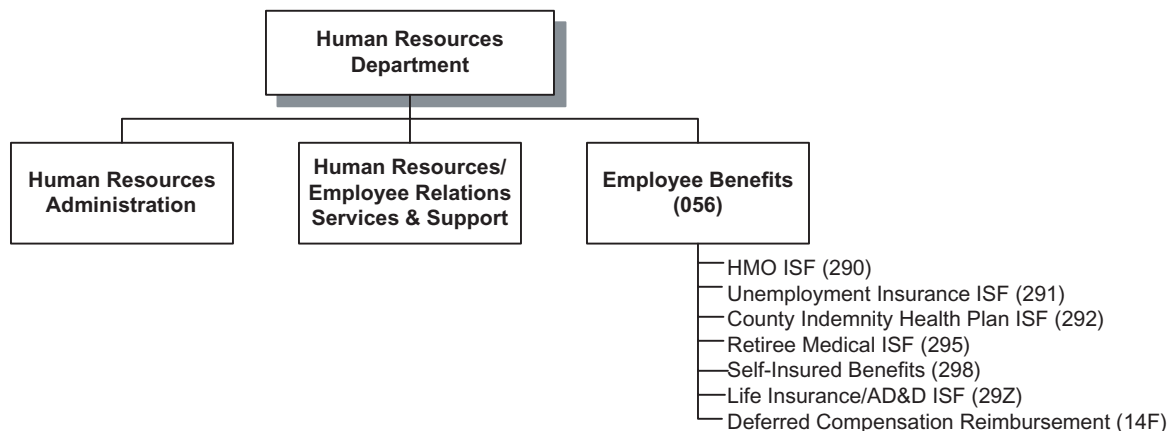
- Completed development and implementation of new administrative management occupational structure and performance management plan for executive law enforcement and administrative management.
- In cooperation with labor, provided training to approximately 800 administrative, law enforcement and executive managers for MAP and EMAP.
- Implemented classification elements of agreement with Probation Services bargaining unit.
- Updated Classification Authorities list.
- Provided "Basic Compensation" training to Countywide HR professionals.
- Acquired the services of Salary.com for use by Countywide HR professionals.

■ EEO

- Provided EEO Update Training for 3300 county managers and supervisors to ensure compliance with the state AB 1825 mandated harassment prevention training and disability issues.
- Conducted training for all county human resources professional about the interplay among ADA/FEHA, Workers Compensation and disability retirement laws.

- CONTRACT NEGOTIATIONS
- AFSCME three-year contract adopted by the Board of Supervisors September 27, 2005.
- OCEA Probation Services Unit and Probation Supervisory Management Unit two-year contract adopted by the Board of Supervisors October 25, 2005.
- OCMA one-year contract adopted by the Board of Supervisors October 25, 2005.
- IHSS two-year contract adopted by the Board of Supervisors November 22, 2005.
- EMPLOYEE RELATIONS
- Established Health and Wellness Commission.
- In collaboration with labor, trained 800 administrative, law enforcement and executive managers on the County's new performance management system.
- County Rideshare Program received the "Rideshare Program of the Year" from the Orange County Transit Authority.
- ORGANIZATIONAL DEVELOPMENT
- Finalized and implemented Customer Service Survey in conjunction with Human Resources Systems and Program Support.
- Identified service gaps and followed up with selected department heads to clarify input.
- Resumed monthly HR Leadership Forum meetings with insertion of HR Manager development activities and an outcome of strengthening the working relationship between corporate and department HR managers.
- Provided definition and communication of restructure, both internally and externally.
- Provided definition and parameters for review of disciplinary process and related training.
- Assessed and provided recommendations regarding employee satisfaction survey.
- Developed a training calendar in conjunction with the HR Leadership Forum and HR Manager Training.

Organizational Summary



Human Resources Department - HR ADMINISTRATION: The manager of this unit serves as the Assistant to the HR Director and provides critical support on high level matters for and oversees a staff

that provides direct support to the HR Director on critical projects; handles Department administrative functions including: budget, contracts and purchasing.

EMPLOYEE BENEFITS: Strategic partner with the Board of Supervisors, CEO/Finance, and departments in the development of Countywide benefits strategies; manages and monitors all employee retiree benefits programs including those associated with medical, dental, disability, defined contribution, unemployment insurance and Employee Assistance Program (EAP); negotiates and oversees provider and actuarial contracts; conducts research and makes recommendations on benefits related issues, alternatives and legislation; develops, initiates and administers benefits related technical systems.

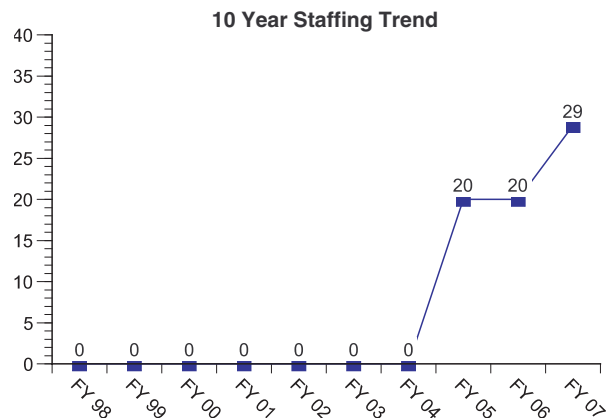
HR PROGRAMS AND SERVICES: This is a new division that integrates HR programs including classification, recruiting, labor relations and discipline administration with the delivery of direct service to the departmental HR management. Each of the three HRD service teams is assigned specific departments and serve as the central point of contact for consultation and support on all HR matters. Team members also coordinate strategy development and implementation with countywide functions such as EEO, County Counsel and the Auditor/Controller. This Division maintains the County's classification and recruiting systems; participates in labor contract negotiations, administers the County's discipline and appeals programs, coordinates Countywide workforce planning; audits personnel and recruiting systems transactions for compliance with policies and procedures; manages HR related contracts and programs including DOT and related Drug Testing, DMV Pull Notice; Employment Verification, DOJ Fingerprinting and Classification Consultants; and manages the development, implementation and maintenance of County HR systems.

EEO: Manages compliance of County EEO policies and procedures; consults with departments on case issues and mandated disability related interactive process; provides liaison to State and Federal regulatory agencies on case resolution; counsels employees

with concerns/complaints relative to EEO issues; coordinates Countywide EEO training programs; coordinates annual filing of County EEO statistics with regulatory agencies and reviews/comments on HR and EEO legislation.

ORGANIZATIONAL DEVELOPMENT AND TRAINING: This function is responsible for providing consultation and support to agencies/departments on organizational and training issues. Staff to this function also keeps current on best practices in HR and employee development and disseminates information throughout the organization. Finally, staff to this function plans, organizes and coordinates the HR Leadership Forum and training and development of HR professionals throughout the County.

Ten Year Staffing Trend:



Ten Year Staffing Trend Highlights:

- FY 04/05 - As a result of the CEO reorganization, the Human Resources function and an accompanying 20 positions (plus 11 Employee Benefits positions) formed the new department in FY 04-05.
- FY 05/06 - In July 2005, the human resources and employee relations functions were consolidated under one organizational structure to better align resources and functions to improve service delivery. The restructuring resulted in a net increase of 9 positions.

Budget Summary

Plan for Support of the County's Strategic Priorities:

The Human Resources Department will continue to take a leadership role with the CEO in developing a Countywide succession plan consistent with the Board/CEO goals and vision, work with stakeholders to identify cost-saving opportunities for the County's benefits programs, and strive to enhance the County's image as an employer of choice.

The Human Resources Department will work closely with CEO/IT, CEO/Finance and the Auditor/Controller's office to identify alternatives and set a strategic course to implement a new value driven approach specific to Personnel/Payroll functions. Additionally the Department will continue to evaluate and strengthen customer service and engage mechanisms to help improve service delivery.

Changes Included in the Recommended Base Budget:

The Human Resources Department has not added any new programs. In order to keep costs down for FY 06-07, the department will cut funding for County-wide marketing and eliminate funding for advertising of executive recruitments and lodging for executive management candidates.

Proposed Budget History:

Sources and Uses	FY 2004-2005	FY 2005-2006	FY 2005-2006	FY 2006-2007	Change from FY 2005-2006	
	Actual	Budget As of 3/31/06	Projected ⁽¹⁾ At 6/30/06	Recommended	Projected Amount	Percent
Total Positions	20	29	29	29	0	0.00
Total Revenues	13,045	6,000	32,680	6,000	(26,680)	-81.64
Total Requirements	2,028,525	3,736,523	3,641,299	3,768,945	127,646	3.51
Net County Cost	2,015,480	3,730,523	3,608,619	3,762,945	154,326	4.28

(1) Requirements include prior year encumbrance and expenditures. Therefore, the above totals may not match FY 2005-06 projected requirements included in "At a Glance" (Which exclude these).

Columns may not total correctly due to rounding.

Detailed budget by expense category and by activity is presented for agency: Human Resources Department in the Appendix on page A59

Highlights of Key Trends:

- During the upcoming year, the Department will work with the Board of Supervisors, the County Executive Office, Agency/Department Heads, and HR Managers to strengthen communication and HR service delivery by:
- Working with our business partners to identify and implement strategies to contain costs for the Retiree Medical programs and other County Benefits Programs in a context of a global compensation.
- Collaboratively working with our business partners to create and implement contemporary HR systems and policies that support the operational needs of the

departments and provides for further decentralization of HR services in areas where accountability can be clearly defined.

- Defining corporate leadership, direction, compliance standards, and oversight for countywide HR practices and policies by providing knowledge, HR systems, and professional networks to strengthen service delivery and accountability.
- The Human Resources Department will be working to achieve its mission and meet its goals in a challenging environment which includes budget constraints, intense competition for skilled workers, the need for and the

reality of increasing workforce diversity, changing workforce expectations and skill sets, and complex and dynamic legislative mandates.

Budget Units Under Agency Control:

No.	Agency Name	Human Resources Department
054	Human Resources Department	3,768,945
056	Employee Benefits	2,651,179
14F	Deferred Compensation Reimbursement (HR)	2,064,616
290	Health Maintenance Organization Health Plans ISF	88,051,971
291	Unemployment Insurance Internal Service Fund	9,650,955
292	Self-Insured PPO Health Plans ISF	80,767,278
295	Retiree Medical Internal Service Fund	62,637,176
298	Self-Insured Benefits Internal Service Fund	8,914,775
29Z	Life Insurance Internal Service Fund	1,206,249
Total		259,713,144

054 - Human Resources Department

Summary of Proposed Budget by Revenue and Expense Category:

Revenues/Appropriations	FY 2004-2005		FY 2005-2006		FY 2005-2006		FY 2006-2007		Change from FY 2005-2006	
	FY 2004-2005		Budget		Projected ⁽¹⁾		FY 2006-2007		Projected	
	Actual		As of 3/31/06		At 6/30/06		Recommended		Amount	Percent
Charges For Services	\$ 9,675	\$	6,000	\$	32,110	\$	2,000	\$	(30,110)	-93.77%
Miscellaneous Revenues	3,370		0		570		4,000		3,430	601.75
Total Revenues	13,045		6,000		32,680		6,000		(26,680)	-81.64
Salaries & Benefits	1,796,313		2,758,659		2,710,390		2,846,049		135,659	5.01
Services & Supplies	261,494		1,114,001		1,067,046		1,157,010		89,964	8.43
Intrafund Transfers	(29,282)		(136,137)		(136,137)		(234,114)		(97,977)	71.97
Total Requirements	2,028,525		3,736,523		3,641,299		3,768,945		127,646	3.51
Net County Cost	\$ 2,015,480	\$	3,730,523	\$	3,608,619	\$	3,762,945	\$	154,326	4.28%

(1) Requirements include prior year encumbrance and expenditures. Therefore, the above totals may not match FY 2005-06 projected requirements included in "At a Glance" (Which exclude these).

Columns may not total correctly due to rounding.